

---

**SUBSTITUTE SENATE BILL 5423**

---

**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Pflug, Parlette, Franklin, Kastama, Marr, Tom, Delvin, Clements, Kilmer, Kohl-Welles and Kline)

READ FIRST TIME 02/21/07.

1       AN ACT Relating to improving the quality of health care through the  
2 use of health information technologies; adding a new section to chapter  
3 82.04 RCW; providing an effective date; and providing an expiration  
4 date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8       (1) Subject to the limits in this section, an eligible person is  
9 authorized a credit against the tax due under this chapter for the  
10 acquisition of health information technologies certified as eligible  
11 for credit by the health care authority as provided in RCW 41.05.021.

12       (2) The credit allowed under this section:

13       (a) Is limited to fifty percent of the amount expended to acquire  
14 computer hardware, software, labor, or services necessary for the  
15 development, enhancement, or installation of certified health  
16 information technologies. Expenditures may include those amounts for  
17 leased equipment and software.

18       (b) Is subject to a lifetime maximum of ten thousand dollars for  
19 each eligible person.

1 (c) Must be claimed in the calendar year in which the expenditure  
2 occurs by the due date of the last tax return for the calendar year in  
3 which the expenditure occurs and may not exceed the amount of tax  
4 imposed under this chapter.

5 (d) In no case may a credit earned during one calendar year be  
6 carried over to be credited against taxes incurred in a subsequent  
7 calendar year. No refunds may be granted for credits under this  
8 section.

9 (3) The credit allowed under this section shall not be claimed for  
10 expenditures that occur before the effective date of this section.

11 (4) No application is necessary for the tax credit. An eligible  
12 person claiming this credit must keep records necessary for the  
13 department to verify eligibility under this section. This includes,  
14 but is not limited to, a personal attestation or documentation  
15 substantiating that the health information technologies acquired by the  
16 person are certified by a state, regional, or national commission for  
17 health information technology, the American health information  
18 committee, the United States department of health and human services,  
19 related to: (a) Interoperability; (b) security; and (c) the protection  
20 of confidentiality.

21 (5) If at any time the department finds that a person is not  
22 eligible for tax credit under this section, the amount of taxes for  
23 which a credit has been used shall be immediately due. The department  
24 shall assess interest, but not penalties, on the credited taxes for  
25 which the person is not eligible. The interest shall be assessed at  
26 the rate provided for delinquent excise taxes under chapter 82.32 RCW,  
27 shall be assessed retroactively to the date the tax credit was taken,  
28 and shall accrue until the taxes for which a credit has been used are  
29 repaid.

30 (6) For the purposes of this section:

31 (a) "Eligible person" means:

32 (i) A physician licensed under chapter 18.22, 18.36A, 18.57, or  
33 18.71 RCW, who is registered as a sole proprietor;

34 (ii) Any entity consisting of at least one but not more than five  
35 physicians licensed under chapter 18.22, 18.36A, 18.57, or 18.71 RCW,  
36 including physicians who are employees, officers, or owners of such  
37 entity;

1 (iii) An advanced registered nurse practitioner licensed under  
2 chapter 18.79 RCW who is a sole proprietor;

3 (iv) Any entity consisting of at least two but not more than five  
4 advanced registered nurse practitioners licensed under chapter 18.79  
5 RCW, including advanced registered nurse practitioners who are  
6 employees, officers, or owners of such entity; or

7 (v) Any entity consisting of a combination of physicians licensed  
8 under chapter 18.22, 18.57, or 18.71 RCW and advanced registered nurse  
9 practitioners licensed under chapter 18.79 RCW not to exceed five,  
10 including physicians and advanced registered nurse practitioners who  
11 are employees, officers, or owners of such entity.

12 (b) "Health information technologies" has the meaning provided in  
13 RCW 41.05.021.

14 (7) This section expires December 31, 2013.

15 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2008.

--- END ---